VZCZCXRO2368 PP RUEHDBU RUEHFL RUEHKW RUEHLA RUEHSR DE RUEHROV #0183/01 3371733 ZNY CCCCC ZZH P 031733Z DEC 07 FM AMEMBASSY VATICAN TO RUEHC/SECSTATE WASHDC PRIORITY 0862 INFO RHEHAAA/NSC WASHINGTON DC RUEHXK/ARAB ISRAELI COLLECTIVE RUEHZL/EUROPEAN POLITICAL COLLECTIVE RUEHROV/AMEMBASSY VATICAN 0896

C O N F I D E N T I A L SECTION 01 OF 02 VATICAN 000183

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E.O. 12958: DECL: 12/3/2032 TAGS: PGOV PREL PHUM KIRF IS VT

SUBJECT: HOLY SEE FRUSTRATED OVER NEGOTIATIONS WITH ISRAEL

REF: (A) VATICAN 172, (B) VATICAN 182

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CLASSIFIED BY: Chris Sandrolini, CDA.

REASON: 1.4 (b), (d)

- 11. (C) Summary: The Holy See is frustrated over lack of progress in reaching agreements with Israel regarding property and other rights of the Church in Jerusalem and the Holy Land. The Holy See blames the Government of Israel for the negotiations' impasse, and is now allowing Vatican officials to go public with their grievances. Holy See negotiators complain that Israel considers every possible compromise a unilateral concession, and is unwilling to accept that UN resolutions recognize that the Church has certain rights that predate the establishment of the state of Israel. Criticism for the lack of progress in the talks comes on top of Holy See complaints about new Israeli visa policies for Arab clergy (reftels) and on the eve of the next round of Holy See-Israel negotiations, scheduled to take place in Jerusalem December 12 and 13. End Summary.
- (C) Chargi d'affaires and poloff met on November 23 with Franciscan Father David Jaeger, one of the Vatican's negotiators of the 1993 Fundamental Agreement between the Holy See and Israel -- which established diplomatic relations between the two governments -- and a member of the Vatican's delegation that meets periodically with Israeli officials to follow-up on its implementation and to reach additional agreements. Father Jaeger, an Israeli citizen, is a Rome-based member of the Order of the Franciscan Custody of the Holy Land.
- (C) According to Jaeger (protect), Holy See officials at the Vatican had been informed that Archbishop Pietro Sambi, the Holy See's nuncio to the US and former nuncio to Israel, intended to publicly criticize the government of Israel for the lack of progress in the negotiations. On November 16, Sambi gave an interview to Terrasanta.net, a Franciscan news service, in which he strongly criticized Israel, suggesting that Israeli commitments were not trustworthy and that relations between the Catholic Church and the state of Israel were better prior to the establishment of diplomatic ties. On November 17, Vatican spokesman Federico Lombardi distanced the Holy See from Sambi's remarks, but only mildly -- saying they reflected Archbishop Sambi's own thoughts "and personal experience." Jaeger described Lombardi's qualified disclaimer of Sambi's statement as indicative of the Vatican's agreement with the US Nuncio. This qualified disclaimer -- which Jaeger called "the Vatican ballet" -- allows the Holy See to continue to push for negotiations while airing frustration over the current impasse.
- (C) Jaeger had a long list of complaints against the government of Israel. Chief among them was the Israeli attitude of considering necessary compromises as unilateral Israeli concessions, as if the Church had no rights apart from those granted by the state of Israel. This position fails to

recognize that the Church has tax exemptions and other rights under the 1947 UN Resolution 181. The Resolution states that there should be no new taxes on the Church beyond those already in place in November of 1947. A 2002 Israeli law amended these exemptions to partially tax "non-praying" spaces. In addition to the substantial financial burden that this would impose on the Church, abiding with Israeli legislation would amount to a Church renunciation of its pre-existing rights. For these reasons, Jaeger added, the Church is refusing to pay these new taxes.

- 15. (C) Jaeger also complained about the lack of decision-making power of Israeli representatives meeting with Holy See officials. The Holy See wants to maintain meetings at two full days, as was originally envisioned, while the Israelis insist on a single half-day. For Jaeger, this Israeli attitude reflects the discomfort these "lower-level functionaries" feel sitting across the table with no instructions on how to respond to Church proposals, and with no power to make initiatives on their own. This is a deliberate Israeli strategy to stall the dialogue. In the meantime, the Israeli government continues to downgrade its recognition of Church rights and to implement policies that limit the Church's ability to operate, such as restricting the issuance of visas to Arab clergy (reftels). Jaeger also said that, while the visa problem is a distinct issue, it increases existing frustration over relations with Israel.
- 17. (C) Jaeger dismissed Israeli claims that it cannot extend to the Catholic Church privileges that other religious denominations do not enjoy. An Israeli Supreme Court decision (issued December 13, 2006) allows the Israeli government to discriminate in its approach to different religious groups on the basis of the groups' specific circumstances and the needs of the state. The storm on the horizon of Holy See-Israel relations is one that has been brewing for some time. While the Holy See -- for a variety of reasons -- will not walk away from the negotiations, it is clearly annoyed with the status quo and ready to let it be known that it blames Israel for the lack of progress, Jaeger added.

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- 18. (C) Comment: By Holy See standards, Father Jaeger is an outspoken critic of the Israeli government and its approach to relations with the Church. As a friar with the Franciscan Custody of the Holy Land, which serves the needs of pilgrims and contributes to the preservation of holy sites, he is particularly sensitive to the needs of Catholic orders and institutions in Israel. As an Israeli citizen with a good understanding of his country's law and politics, he does not hesitate to challenge Israeli officials' positions and decisions, and what he calls "the unlimited arbitrary power by the lowest functionaries".
- 19. (C) Comment continued: Frustration over the impasse of the negotiations extends beyond the Franciscan monasteries of the Holy Land. The Holy See's diplomatic apparatus is now involved in voicing complaints about the Israeli position and, implicitly, hoping that those with influence over the Israeli government -- including the USG and non-governmental organizations in the US and elsewhere -- will lean on the Israelis before the next round of negotiations, scheduled to take place in Jerusalem December 12 and 13. That the normally reticent Holy See is now winking at Sambi's stinging remarks suggests that it may further turn up the temperature in the coming months. End comment. SANDROLINI